

About Your Credit Union Accounts

Savings Accounts
Checking Accounts
Term Savings Accounts
Electronic Funds Transfers
Funds Availability
Unclaimed Property Law
Account Agreements



**MERCED SCHOOL EMPLOYEES
FEDERAL CREDIT UNION**

*P.O. Box 1349
Merced, CA 95341
(209) 383-5550
(800) 542-2345
www.mercedschoolcu.org*

TABLE OF CONTENTS

Information Regarding Member Identification	3
General Information About All of Our Accounts	3
About Our Savings Accounts	4
About Our Regular Savings, Special Savings, Representative Payee and IRA Accumulator Accounts.....	4
About Our Summer Savings Account	4
About Our Christmas Club	5
About Our Redi-Cash Account	5
About Our Trust Account	5
About Our Escrow Account	6
About Our Checking Accounts	6
About Our ATM Basic Checking (ABC) Account.....	6
About Our A+ Checking Account.....	7
About Our Dollars & Cents Checking Account.....	7
About Our Health Savings Checking Account.....	7
About Our Term Savings Accounts	7
About Our Regular Term Savings Account	8
About Our Smart Start Term Savings Account	8
About Our Dollars & Cents Term Savings Account	9
About Our IRA Term Savings Account.....	9
Electronic Fund Transfers Disclosure and Agreement	9
Additional Disclosure Applicable to ACH Services.....	12
Additional Disclosures Applicable to ATM and POS Services.....	13
Additional Disclosures Applicable to Audio Response “Day and Night Teller”	14
Additional Disclosures Applicable to ATM Debit Card Services.....	14
Additional Disclosures Applicable to Home Banking “cu@home”	16
Additional Disclosures Applicable to On-Line “Bill Pay”	16
Additional Disclosures Applicable to Mobile Banking Services	17
Mobile Deposit Disclosure and Agreement	17
Regulations Relating to Fund Transfers	17
Your Ability to Withdraw Funds	18
Important Notice About Your Account(s) (California Residents)	19
General Terms and Conditions of Your Credit Union Accounts	20
Savings Account Agreement	23
Checking Account Agreement	23

YOUR TRUTH-IN-SAVINGS DISCLOSURE

To open your account, complete the appropriate account card and return it to our Member Services Representative. Please read this brochure completely and retain it with your personal records.

All agreements and disclosures shall be construed in accordance with the provisions of the California Uniform Commercial Code (UCC). Share "savings" accounts, share draft "checking" accounts and term savings accounts are subject to the requirements below and such other terms and conditions as established by the Board of Directors and as contained in the account agreements.



INFORMATION REGARDING MEMBER IDENTIFICATION

To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account.

What this means for our Members: When you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

GENERAL INFORMATION ABOUT ALL OF OUR ACCOUNTS

PAR VALUE

The par value of a share in the Merced School Employees Federal Credit Union is \$5.

ACCRUAL OF DIVIDENDS

Dividends begin to accrue on the business day you deposit cash or non-cash items (e.g., checks) to your account. If deposited at an express deposit, it must be deposited before 2:30 p.m. If deposited by coming into the Credit Union or by mail it must be received before the close of business.

DIVIDEND RATES

The initial dividend rate and Annual Percentage Yield on our savings, checking and term savings accounts are stated on the Rate Schedule accompanying this Disclosure. Dividends are paid from current income and available earnings after required transfers to reserves at the end of a dividend period. The dividend declaration date follows the ending date of a dividend period. The most recent dividend declaration date is reflected on the accompanying Rate Schedule.

BYLAW REQUIREMENTS

The maximum amount of shares which may be held by any one member shall be established from time to time by resolution of the board.

A member who fails to complete payment of one share within 6 months of admission to membership, or within 24 months from the increase in the par value in shares, or a member who reduces his/her share balance below the par value of one share and does not increase the balance to at least the par value of one share within 24 months of the reduction may be terminated from membership at the end of a dividend period.

Shares may be transferred only from one member to another by written instrument in such form as the Credit Union may prescribe. The Credit Union reserves the right, at any time, to require members to give, in writing, not less than 7 days' and not more than 60 days' notice of intention to withdraw the whole or any part of the amounts so paid in by them.

No member may withdraw shareholdings that are pledged as required for security on loans without the written approval of the Internal Review Committee or a loan officer, except to the extent that such shares exceed the member's total primary and contingent liability to the Credit Union. No member may withdraw any shareholdings below the amount of his/her primary or contingent liability to the Credit Union if he/she is delinquent as a borrower, or if borrowers for whom he/she is comaker, endorser, or guarantor are delinquent, without the written consent of the Internal Review Committee or loan officer.

REQUIREMENT TO MAINTAIN A REGULAR SAVINGS ACCOUNT

You must open and maintain a minimum balance of \$5 in a Regular Savings Account to open any subsequent accounts. You must maintain the Regular Savings Account to avoid closure of that account and any subsequent accounts.

INCORPORATION OF IRA AGREEMENT AND DISCLOSURES

All other terms and disclosures for our Individual Retirement Accounts are contained in the Credit Union's Individual Retirement Account agreement and disclosure statement, which by this reference is incorporated into this account disclosure in its entirety. When you open your Individual Retirement Account, the Credit Union agreement and disclosure statement will be provided to you.

CHANGES IN TERMS AND CONDITIONS

The use of an account is subject to such other terms, conditions and requirements as the Credit Union may establish from time to time. The Credit Union has the right to change the terms and conditions of this Agreement at any time, in any manner, and for any reason. We may delete or modify existing terms. We may add new terms without regard to whether the matter is already addressed by this Agreement. We may offer new or different services at any time, and may convert an existing account or service into a new account or service. We will generally notify you in advance of changes by sending written notice to your address as it appears on our records. However, we may make changes without sending you advance notice, unless such notice is required by law. By continuing to use or keep your account open, you will be deemed to accept and agree to any such changes in terms.

ABOUT OUR SAVINGS ACCOUNTS

Merced School Employees Federal Credit Union's savings accounts let you deposit your money in an account and withdraw your money generally at any time (see details below for exceptions). Our savings accounts are the Regular Savings, Special Savings, Representative Payee Share Account, Summer Savings, Christmas Club, Redi-Cash, Trust Accounts, Escrow Accounts and IRA Accumulator Accounts.

RATE INFORMATION

Our savings accounts are designated variable rate accounts on the Rate Schedule. This rate and yield may change at any time at the Credit Union's discretion.

➔ *About Our Regular Savings, Special Savings, Representative Payee and IRA Accumulator Accounts*

BALANCE INFORMATION

We compute the balance in our Regular Savings, Special Savings, Representative Payee and IRA Accumulator Accounts to determine the dividends you will be paid by using the average daily balance method which applies a periodic rate to the average daily balance in the account for the period. We calculate the average daily balance by adding the balance in the account for each day of the period and dividing that figure by the number of days in the period.

If you close your Regular Savings, Special Savings, Representative Payee or IRA Accumulator Account before dividends are credited, you will not receive accrued dividends.

DIVIDEND COMPOUNDING AND CREDITING

Dividends will be compounded monthly and will be credited monthly. For the Regular Savings, Special Savings, Representative Payee and IRA Accumulator Accounts the dividend period is monthly. For example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date follows the ending date of a dividend period. The most recent dividend declaration date is reflected on the accompanying Rate Schedule.

MINIMUM BALANCE AND DEPOSIT REQUIREMENTS

The minimum deposit required for you to open a Regular Savings, Special Savings, Representative Payee or IRA Accumulator Account is \$5. You must maintain a minimum average daily balance of \$5 in your account to obtain the Annual Percentage Yield stated on the Rate Schedule and to avoid closure.

➔ *About Our Summer Savings Account*

BALANCE INFORMATION

We compute the balance in our Summer Savings Account to determine the dividends you will be paid by using the average daily balance method which applies a periodic rate to the average daily balance in the account for the period. We calculate the average daily balance by adding the balance in the account for each day of the period and dividing that figure by the number of days in the period. If you close your Summer Savings Account before dividends are credited, you will not receive accrued dividends.

DIVIDEND COMPOUNDING AND CREDITING

Dividends will be compounded monthly and will be credited monthly. For the Summer Savings Account the dividend period is monthly. For example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date follows the ending date of a dividend period. The most recent dividend declaration date is reflected on the accompanying Rate Schedule.

MINIMUM BALANCE AND DEPOSIT REQUIREMENTS

The minimum deposit required for you to open a Summer Savings Account is \$5. You must maintain a minimum average daily balance of \$5 in the Summer Savings Account to obtain the Annual Percentage Yield stated on the Rate Schedule and to avoid closure.

TRANSACTION LIMITATIONS

Our Summer Savings Account may be opened between July 1 and December 31. Funds will be transferred to your checking account the first week of July. The account will be automatically reopened with a subsequent deposit.

➔ *About Our Christmas Club*

BALANCE INFORMATION

We compute the balance in our Christmas Club Account to determine the dividends you will be paid by using the average daily balance method which applies a periodic rate to the average daily balance in the account for the period. We calculate the average daily balance by adding the balance in the account for each day of the period and dividing that figure by the number of days in the period. If you close your Christmas Club Account before dividends are credited, you will not receive accrued dividends.

DIVIDEND COMPOUNDING AND CREDITING

Dividends will be compounded monthly and will be credited monthly. For the Christmas Club Account the dividend period is monthly. For example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date follows the ending date of a dividend period. The most recent dividend declaration date is reflected on the accompanying Rate Schedule.

MINIMUM BALANCE AND DEPOSIT REQUIREMENTS

The minimum deposit required for you to open a Christmas Club Account is \$5. You must maintain a minimum average daily balance of \$5 in your account to obtain the Annual Percentage Yield stated on the Rate Schedule and to avoid closure.

TRANSACTION LIMITATIONS

Our Christmas Club Account may be opened at anytime. Funds will be transferred to your Checking Account the first week of October. The account will be automatically reopened with a subsequent deposit.

➔ *About Our Redi-Cash Account*

BALANCE INFORMATION

We compute the balance in our Redi-Cash Account to determine the dividends you will be paid by using the daily balance method which applies a daily periodic rate to the balance in your account each day.

DIVIDEND COMPOUNDING AND CREDITING

Dividends will be compounded monthly and will be credited monthly. For the Redi-Cash Account the dividend period is monthly. For example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date follows the ending date of a dividend period. The most recent dividend declaration date is reflected on the accompanying Rate Schedule.

MINIMUM BALANCE AND DEPOSIT REQUIREMENTS

The minimum deposit required for you to open a Redi-Cash Account is \$1,000. You must maintain a minimum daily balance of \$1,000 in your Redi-Cash Account to obtain the Annual Percentage Yield stated on the Rate Schedule and to avoid closure.

➔ *About Our Trust Account*

BALANCE INFORMATION

We compute the balance in our Trust Account to determine the dividends you will be paid by using the daily balance method which applies a daily periodic rate to the balance in your account each day.

DIVIDEND COMPOUNDING AND CREDITING

Dividends will be compounded monthly and will be credited monthly. For the Trust Account the dividend period is monthly. For example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date follows the ending date of a dividend period. The most recent dividend declaration date is reflected on the accompanying Rate Schedule.

MINIMUM BALANCE AND DEPOSIT REQUIREMENTS

The minimum deposit required for you to open a Trust Account is \$5. You must maintain a minimum daily balance of \$5 in your Trust Account to obtain the Annual Percentage Yield stated on the Rate Schedule and to avoid closure.

➔ *About Our Escrow Account*

Our Escrow Account allows you to set aside tax and insurance payments.

BALANCE INFORMATION

We compute the balance in our Escrow Account to determine the dividends you will be paid by using the daily balance method which applies a daily periodic rate to the balance in your account each day.

DIVIDEND COMPOUNDING AND CREDITING

Dividends will be compounded monthly and will be credited monthly. For the Escrow Account the dividend period is monthly. For example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date follows the ending date of a dividend period. The most recent dividend declaration date is reflected on the accompanying Rate Schedule.

MINIMUM BALANCE AND DEPOSIT REQUIREMENTS

The minimum deposit required for you to open an Escrow Account is \$5. You must maintain a minimum daily balance of \$5 in your account to obtain the Annual Percentage Yield stated on the Rate Schedule and to avoid closure.

ABOUT OUR CHECKING ACCOUNTS

Merced School Employees Federal Credit Union offers the following checking accounts which let you withdraw your money and write checks against your account at any time. Our checking accounts are the ATM Basic Checking (ABC) Account, A+ Checking Account, Dollars & Cents Checking and the Health Savings Checking Account.

BALANCE INFORMATION

We compute the balance in our ABC Checking, A+ Checking, Dollars & Cents Checking and Health Savings Checking Accounts to determine the dividends you will be paid by using the daily balance method which applies a daily periodic rate to the balance in your account each day.

RATE INFORMATION

Our ABC, A+ Checking, Dollar & Cents and Health Savings Checking Accounts are designated as variable rate accounts on the Rate Schedule. These rates and yields may change at any time at the credit union's discretion.

DIVIDEND COMPOUNDING AND CREDITING

Dividends will be compounded monthly and will be credited monthly. For the ABC Checking, A+ Checking, Dollars & Cents Checking and Health Savings Checking Accounts the dividend period is monthly. For example, the beginning date of the first dividend period of the calendar year is January 1 and the ending date is January 31. All other dividend periods follow this same pattern of dates. The dividend declaration date follows the ending date of a dividend period. The most recent dividend declaration date is reflected on the accompanying Rate Schedule.

➔ *About Our ATM Basic Checking (ABC) Account*

Minimum Balance and Deposit Requirements

You must open and maintain a minimum balance of \$5 in a Regular Savings account to open an ABC Account. The minimum deposit required for you to open an ABC Account is \$10. You must maintain the minimum daily balance in your ABC Checking Account to obtain the Annual Percentage Yield stated on the Rate Schedule. You must maintain the Regular Savings account to avoid closure.

Our ATM Basic Checking (ABC) Account is designated as a tiered variable rate account on the Rate Schedule. The dividend rate and the Annual Percentage Yield are based on the entire daily balance of the tiered accounts. If your daily balance is increased or decreased, the dividend rate and the Annual Percentage Yield for the appropriate tier will be paid on the entire daily balance in your account.

➔ *About Our A+ Checking Account*

MINIMUM BALANCE AND DEPOSIT REQUIREMENTS

You must open and maintain a minimum balance of \$25 in a Regular Savings account to open an A+ Checking Account. The minimum deposit required for you to open an A+ Checking Account is \$10. You must maintain the minimum daily balance in your A+ Checking Account to obtain the Annual Percentage Yield stated on the Rate Schedule. You must maintain the Regular Savings account to avoid closure.

Our A+ Checking Account is designated as a tiered variable rate account on the Rate Schedule. The dividend rate and the Annual Percentage Yield are based on the entire daily balance of the tiered accounts. If your daily balance is increased or decreased, the dividend rate and the Annual Percentage Yield for the appropriate tier will be paid on the entire daily balance in your account.

➔ *About Our Dollars & Cents Checking Account*

Our Dollars & Cents Checking Account is designed for our youth between 11 through 16 years of age. A parent or legal guardian must be a joint owner on the account. Accountholders may receive an ATM Debit Card as long as a parent or legal guardian is a joint owner on the account. Upon reaching 17 years of age, the account will be converted to the A+ Checking Account or another checking account type.

MINIMUM BALANCE AND DEPOSIT REQUIREMENTS

You must open and maintain a minimum balance of \$25 in a Regular Savings account to open a Dollars & Cents Checking Account. The minimum deposit required for you to open a Dollars & Cents Checking Account is \$10. You must maintain the minimum daily balance in your Dollars & Cents Checking Account to obtain the Annual Percentage Yield stated on the Rate Schedule. You must maintain the Regular Savings account to avoid closure.

Our Dollars & Cents Checking Account is designated as a tiered variable rate account on the Rate Schedule. The dividend rate and the Annual Percentage Yield are based on the entire daily balance of the tiered accounts. If your daily balance is increased or decreased, the dividend rate and the Annual Percentage Yield for the appropriate tier will be paid on the entire daily balance in your account.

➔ *About Our Health Savings Checking Account*

MINIMUM BALANCE AND DEPOSIT REQUIREMENTS

You must open and maintain a minimum balance of \$5 in a Regular Savings account to open a Health Savings Checking

Account. There is no minimum deposit required for you to open a Health Savings Checking Account. You must maintain the minimum daily balance in your Health Savings Checking Account to obtain the Annual Percentage Yield stated on the Rate Schedule. You must maintain the Regular Savings account to avoid closure.

Our Health Savings Checking Account is designated as a tiered variable rate account on the Rate Schedule. The dividend rate and the Annual Percentage Yield are based on the entire daily balance of the tiered accounts. If your daily balance is increased or decreased, the dividend rate and the Annual Percentage Yield for the appropriate tier will be paid on the entire daily balance in your account.

INCORPORATION OF HEALTH SAVINGS ACCOUNT

AGREEMENT

All other terms and disclosures for our Health Savings Accounts are contained in the Credit Union's Health Savings Account Agreement, which by this reference is incorporated into this account disclosure in its entirety. When you open your Health Savings (HSA) Checking Account, the Credit Union Health Savings Agreement will be provided to you.

ABOUT OUR TERM SAVINGS ACCOUNTS

Merced School Employees Federal Credit Union's term savings accounts let you deposit your money for a specified period of time. Our term savings accounts are Regular Term Savings Account, Smart Start Term Savings, Dollar & Cents Term Savings and IRA Term Savings Accounts.

ANNUAL PERCENTAGE YIELD

The Annual Percentage Yield is based on an assumption that dividends will remain on deposit until maturity. Your account will be closed if you withdraw principal from your account before the maturity date.

MATURITY

Your account will mature as reflected on the Rate Schedule. The maturity date will be stated on the term savings document provided to you at the time of opening your account.

BALANCE INFORMATION

We compute the balance in our term savings accounts to determine the dividends you will be paid by using the daily balance method which applies a daily periodic rate to the balance in your account each day.

RATE INFORMATION

Our term savings accounts are designated fixed rate accounts on the Rate Schedule. You will be paid this rate and yield until maturity.

DIVIDEND COMPOUNDING AND CREDITING

Dividends will be compounded monthly and will be credited monthly.

EARLY WITHDRAWAL PENALTY

We may impose a penalty if you withdraw any of the funds from your account before the maturity date. The penalty imposed shall be as follows:

- If the term is one year or less, the member shall forfeit an amount equal to all dividends for 90 days; or
- If the term is greater than one year, the member shall forfeit an amount equal to all dividends for 180 days.

EXCEPTIONS TO PENALTIES

The penalties stated above will not apply if:

1. The withdrawal is made subsequent to the death of any owner of the term savings account, or is made pursuant to the Credit Union's bylaws.
2. The term savings account is part of a pension plan which qualifies or is qualified to specific tax treatment under Section 401(d) or 408 of the Internal Revenue Code and withdrawal is made to effect distribution of the funds evidenced by such account following the participant's death or disability or upon attaining not less than 59 1/2 years of age, or
3. Such withdrawal is made as a result of the voluntary or involuntary liquidation of the Credit Union issuing the account.

PLEDGING OF FUNDS

Term Savings Accounts may not be pledged, transferred, or assigned to any party other than the Credit Union unless otherwise provided by statute. Savings invested for an Individual Retirement Account (IRA) or Keogh Plan may not be pledged as security for any loan. The Credit Union reserves the right to offset this term savings account except as otherwise precluded by law. If the Credit Union offsets funds from this term savings account, the funds withdrawn are subject to the early withdrawal penalty.

➔ *About Our Regular Term Savings Account*

MINIMUM BALANCE AND DEPOSIT REQUIREMENTS

The minimum deposit required for you to open a Regular Term Savings Account is indicated on the Rate Schedule. You must maintain the minimum balance to obtain the Annual Percentage Yield stated on the Rate Schedule and to avoid closure.

RENEWAL OF ACCOUNT

At the time the Regular Term Savings Account is opened, you may choose the option to either: 1). have the account automatically renew at maturity for the same time period as the original term at the prevailing rate, or 2). have your funds at maturity transferred to your Savings or Checking Account and the Regular Term Savings Account will be closed.

ACCOUNT LIMITATIONS

You may not make deposits into this account after opening. You may not withdraw dividends from your account unless you have instructed us at account opening to credit dividends to another account.

➔ *About Our Smart Start Term Savings Account*

Our Smart Start Term Savings Account is designed for our youth under 18 years of age. You must open a Regular Savings Account and maintain a minimum balance of \$5 to open this account.

MINIMUM BALANCE AND DEPOSIT REQUIREMENTS

The minimum deposit required for you to open a Smart Start Term Savings Account is \$1,000. You must maintain a minimum balance of \$1,000 to obtain the Annual Percentage Yield stated on the Term Savings Rate Schedule and to avoid closure.

RENEWAL OF ACCOUNT

At the time the Smart Start Term Savings Account is opened, you may choose the option to either: 1). have the account automatically renew at maturity for the same time period as the original term at the prevailing rate, or 2). have your funds at maturity transferred to your Regular Savings Account and the Smart Start Term Savings Account will be closed.

ACCOUNT LIMITATIONS

You may not make deposits into this account after opening. You may not withdraw dividends from your account unless you have instructed us at account opening to credit dividends to another account.

➔ *About Our Dollars & Cents Term Savings Account*

Our Dollars & Cents Term Savings Account is designed for our youth between 11-16 years of age. You must open a Regular Savings Account and maintain a minimum balance of \$5 to open this account. A parent or legal guardian must be a joint owner on the account.

MINIMUM BALANCE AND DEPOSIT REQUIREMENTS

The minimum deposit required for you to open a Dollars & Cents Term Savings Account is \$1,000. You must maintain a minimum balance of \$1,000 to obtain the Annual Percentage Yield stated on the Term Savings Rate Schedule and to avoid closure.

RENEWAL OF ACCOUNT

At the time the Dollars & Cents Term Savings Account is opened, you may choose the option to either: 1). have the account automatically renew at maturity for the same time period as the original term at the prevailing rate; or 2). have your funds at maturity transferred to your Regular Savings Account and the Dollars & Cents Term Savings Account will be closed.

ACCOUNT LIMITATIONS

You may not make deposits into this account after opening. You may not withdraw dividends from your account unless you have instructed us at account opening to credit dividends to another account.

➔ *About Our IRA Term Savings Account*

You must have an IRA Accumulator Account as well as your Regular Savings Account to open this account.

MINIMUM BALANCE AND DEPOSIT REQUIREMENTS

The minimum deposit required for you to open an IRA Term Savings Account is indicated on the Rate Schedule. You must maintain the minimum balance to obtain the Annual Percentage Yield stated on the Rate Schedule and to avoid closure.

RENEWAL OF ACCOUNT

Your account may be automatically renewed at maturity for the same time period. If you do not renew your account, your funds will be transferred to your IRA Accumulator Account.

ACCOUNT LIMITATIONS

You may not make deposits into this account after opening. You may not withdraw dividends from your account unless you have instructed us at account opening to credit dividends to your IRA Accumulator Account.

INCORPORATION OF IRA AGREEMENT AND DISCLOSURES

All other terms and disclosures for our Individual Retirement Accounts are contained in the Credit Union's Individual Retirement Account agreement and disclosure statement, which by this reference is incorporated into this account disclosure in its entirety. When you open your Individual Retirement Account, the Credit Union agreement and disclosure statement will be provided to you.

ELECTRONIC FUND TRANSFERS DISCLOSURE AND AGREEMENT

This EFT Disclosure and Agreement as amended from time to time ("Agreement") sets forth the terms and conditions governing the use of the Merced School Employees Federal Credit Union electronic transfer services. Disclosure information that applies to all electronic services offered by Merced School Employees Federal Credit Union is given below, followed by specific disclosure information for each service. Merced School Employees Federal Credit Union may also provide remittance transfers (defined by Regulation E, subpart B, as an "electronic transfer of funds of more than \$15 which is requested by a sender and sent to a designated recipient in a foreign country by a remittance transfer provider"). The terms and conditions for such electronic transfers will be disclosed to you separately when you receive those services, and may differ from the terms and conditions disclosed herein. As applicable and to the extent not in conflict with such separately provided disclosures, the terms and conditions herein shall apply to remittance transfers that also meet the definition of an "electronic fund transfer" under Regulation E, subpart A. This Agreement takes the place of all prior agreements and disclosures governing the use of all electronic services. By retaining, using, or allowing others to use the electronic services offered by Merced School Employees Federal Credit Union, you are agreeing to be bound by the terms and conditions of this Agreement. In this Agreement, the term "you" and "your(s)" refer to the member, and the terms "we," "us" and "our(s)" refer to Merced School Employees Federal Credit Union.

PERSONAL IDENTIFICATION NUMBER

The Credit Union will issue you a Personal Identification Number (PIN) that must be used with the ATM/Debit Card for transactions that require the use of a PIN. This number should be memorized. DO NOT write it on your ATM/Debit Card or where it is easily accessible to others. After memorizing your PIN, you should destroy the notice disclosing your PIN in a secure manner. If you forget, misplace or otherwise disclose your PIN, contact the Credit Union and we will issue you a new one.

RIGHT TO RECEIVE DOCUMENTATION OF TRANSACTIONS

You will get a monthly account statement reflecting all of your transactions unless there is no activity in a particular month. In any case you will get the statement at least quarterly. You may receive a receipt at the time you make a transaction at a terminal. If you do receive a receipt, retain the receipt to compare with your monthly statement from the Credit Union.

YOUR LIABILITY FOR LOST, STOLEN OR UNAUTHORIZED TRANSACTIONS INVOLVING AUTOMATED TELLER MACHINE (ATM) CARDS

Tell us AT ONCE if you believe your ATM/POS Card and/or Personal Identification Number (PIN) has been lost or stolen, or if you believe that an electronic transfer has been made without your permission using information from your check. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line of credit if you have one with us). If you tell us within two (2) business days, you can lose no more than \$50 if someone used your ATM/POS Card or PIN without your permission. If you DO NOT tell us within two (2) business days after you learn of the loss or theft of your ATM/POS Card or PIN, and we can prove that we could have stopped someone from using your ATM/POS Card or PIN without your permission if you had told us, you could lose as much as \$500. Also, if your statement shows transfers that you did not make, tell us at once. If you do not tell us within 60 days after the statement was mailed to you, you may not get back any money you lost after the 60 days if we can prove that we could have stopped someone from taking the money if you had told us in time. If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time periods. If you have authorized someone else to use the ATM/POS Card and/or PIN, you are responsible for all transactions that person or persons initiates at any time, even if the amount or transactions exceed what you may have authorized.

YOUR LIABILITY FOR LOST, STOLEN OR UNAUTHORIZED TRANSACTIONS INVOLVING DEBIT CARDS

Tell us AT ONCE if you believe your Debit Card and/or Personal Identification Number (PIN) has been lost or stolen or if your statement shows an electronic fund transfer has been made without your permission using information from your check. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line of credit if you have one with us). If you tell us within 60 days of our sending your statement, you can lose no more than \$50 if someone used your Debit Card without your permission. If you do not tell us within 60 days after the statement was mailed to you, you may not get back any money you lost after the close of the 60 days and before notice to us. If your delay in notifying us was due to extenuating circumstances beyond your reasonable control, including extended travel, your or a member of your family's death or serious illness, hospitalization, permanent mental impairment or serious physical impairment, unless the circumstance did not reasonably contribute to your delay in notifying us within the 60-day period, we will extend the 60-day period by a reasonable period.

SPECIAL NOTICE TO VISA® DEBIT CARDHOLDERS

If there is an unauthorized use of your Visa Debit Card or a Plus network or Interlink transaction, and the transaction takes place on the Visa network, then your liability will be zero (\$0.00). This provision limiting your liability does not apply to Visa Corporate Card Transactions, Visa Purchasing Card Transactions, Anonymous Visa Prepaid Card Transactions, ATM cash disbursements processed on non-Visa or non-Plus networks, or non-Visa PIN-less debit transactions. Additionally, your liability with respect to unauthorized transactions may be greater than the above zero (\$0.00) liability limit, to the extent allowed under applicable law, if the credit union reasonably determines, based on substantial evidence, that you were negligent or fraudulent in the handling of your account or card. In any case, to minimize your potential liability you should notify us of any unauthorized use no later than 60 days after your statement was mailed to you.

HOW TO NOTIFY THE CREDIT UNION IN THE EVENT OF AN UNAUTHORIZED TRANSACTION

If you believe your ATM/POS/Debit Card or PIN has been lost or stolen, or that someone has transferred or may transfer money from your account without your permission, call us at 209.383.5550 or 800.542.2345 or write to us at P. O. Box 1349, Merced, CA 95341.

You should also call the number or write to the address listed above if you believe a transfer has been made using information from your check without your permission.

BUSINESS DAYS

Our business days are Monday through Friday, excluding holidays.

OUR LIABILITY FOR FAILURE TO MAKE TRANSFERS

If we do not complete a transaction to or from your savings or checking account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages. However, there are some exceptions. We will NOT be liable, for instance, if:

- a) through no fault of ours, you do not have enough money in your account (your available balance) to make the transaction;
- b) the transaction would go over the credit limit on your credit line;
- c) the terminal where you were making the transaction did not have enough cash;
- d) the ATM or network system was not working properly and you were aware of the malfunction when you started the transaction;
- e) circumstances beyond our control (such as fire, flood, power failure, computer down-time, etc.) prevented the transaction, despite reasonable precautions that we have taken;
- f) the money in your account is subject to an uncollected funds hold, legal process or any other encumbrance or agreement restricting a transaction;
- g) your ATM/POS/Debit Card has expired, is damaged so that the terminal cannot read the encoding strip or chip, is inactive or because your PIN has been entered incorrectly;
- h) your ATM/POS/Debit Card or PIN has been reported lost or stolen and we have blocked the account; or
- i) the failure to complete the transaction is done to protect the integrity of the system or to protect the security of your account.

There may be other exceptions not specifically mentioned above.

IN CASE OF ERRORS OR QUESTIONS ABOUT YOUR ELECTRONIC TRANSFERS

Telephone us at 209.383.5550 or 800.542.2345 or write to us at P. O. Box 1349, Merced, CA 95341, as soon as you can, if you think your statement or receipt is wrong or if you need more information about a transfer listed on the statement or receipt. You should also call the number or write to the address listed above if you believe a transfer has been made using information from your check without your permission. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared.

1. Tell us your name and account number (if any).
2. Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
3. Tell us the dollar amount of the suspected error.

If you tell us orally, we may require that you send us your complaint or question in writing within 10 business days.

We will determine whether an error occurred within 10 business days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days to investigate your complaint or question. If we decide to do this, we will credit your account within 10 business days for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation. (If the error you assert is an unauthorized Visa transaction, other than a cash disbursement at an ATM, we will credit your account within 5 business days unless we determine that the circumstances or your account history warrant a delay, in which case you will receive credit within 10 business days.) If we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not credit your account.

For errors involving new accounts, point-of-sale, or foreign-initiated transactions, we may take up to ninety (90) days to investigate your complaint or question. For new accounts, we may take up to twenty (20) business days to credit your account for the amount you think is in error.

We will tell you the results within three (3) business days after completing our investigation. If we decide that there was no error, we will send you a written explanation within three business days after we finish our investigation. You may ask for copies of the documents that we used in our investigation.

CHARGES

In order to obtain the electronic services listed, you must open and maintain a savings or checking account. All charges associated with our electronic fund transactions are disclosed in our Rate and Fee Schedule which accompanies this Disclosure and Agreement.

DISCLOSURE OF ACCOUNT INFORMATION TO THIRD PARTIES

We will disclose information to third parties about your account or the transfers you make:

- a) when it is necessary to complete the transaction;
- b) in order to verify the existence and condition of your account for a third party, such as a credit bureau or merchant;

- c) in order to comply with government agency or court orders or other legal process; or
- d) if you give us your prior oral or written permission.

ADDRESS CHANGE

Keep the Credit Union informed of your current address to ensure correct mailing of monthly statements. If you have elected to receive statements electronically, it is also your responsibility to keep the Credit Union informed of your current email address.

AMENDMENTS

The Credit Union may change the terms and conditions of this Agreement from time to time by mailing written notice to your address as it appears on our records. If any change results in greater cost or liability to you or decreases access to your accounts, you will be given at least twenty-one (21) days prior notice of the change. Prior notice may not be given where an immediate change in terms or conditions is necessary to maintain the integrity of the system and/or the security of ATM Cards, POS Cards or designated accounts.

TERMINATION

You may terminate this Agreement with us at any time. The Credit Union reserves the right to terminate this Agreement and/or your use of your ATM/POS/Debit Card or PIN with or without cause. We may do so immediately if:

- a) you or any authorized user of your ATM/POS/Debit Card, PIN or account breaches this or any other agreement with the Credit Union;
- b) we have reason to believe that there has been, or might be, an unauthorized use of your ATM/POS/Debit Card, PIN or account; or
- c) you or any authorized user of your ATM/POS/Debit Card, PIN or account request that we do so.

ADDITIONAL BENEFITS/CARD ENHANCEMENTS

The Credit Union may from time to time offer additional services to your account. Some may be at no additional cost to you and others may involve a specified fee. You understand that the Credit Union is not obligated to offer such services and may withdraw or change them at any time.

WAIVER OF RIGHTS

The Credit Union can delay enforcing any of the provisions under this Agreement or the law any number of times without losing its right to enforce them at a later date.

OTHER AGREEMENTS

Except as stated otherwise in the Agreement, this Agreement does not alter or amend any of the terms or conditions of any other agreement you may have with the Credit Union.

SEVERABILITY

If any part of this Agreement should be held to be unenforceable, the remaining provisions of this Agreement shall remain in full force and effect.

WHO IS BOUND BY THIS AGREEMENT

Each person who signs the Application agrees to be bound by the terms and conditions of this Agreement. If more than one person signs the application, all signers are jointly and severally liable. The Credit Union can waive or delay enforcement of its rights as to one signer without affecting its ability to enforce its rights as to the other signers. The Agreement is also binding upon your heirs, personal representatives and successors.¹

SIGNATURES

By using your access to the system, or authorizing anyone else to use your access to the system, and/or by signing the application, you agree to be bound by the terms and conditions of this Agreement and Disclosure.

➡ *Additional Disclosure Applicable to ACH Services*

DOCUMENTATION OF DIRECT DEPOSIT

If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, you can call us at 209.383.5550 or 800.542.2345 to find out whether or not the deposit has been made. If the only possible transfers to or from your account are direct deposits or preauthorized deposits, you will get at least a quarterly statement from us.

CHOICE OF LAW

We may accept, on your behalf, payments to your account that have been transmitted through one or more Automated Clearing Houses (ACH) and which are not subject to the Electronic Funds Transfer Act and your rights and obligations with respect to such payments shall be construed in accordance with and governed by the laws of the State of California as provided by the operating rules of the National Automated Clearing House Association, which are applicable to ACH transactions involving your account.

DISCLOSURE OF RIGHT TO STOP PAYMENT

a) Right to stop payment and procedure for doing so.

If you have told us in advance to make regular payments out of your account, you can stop any of these payments. Here's how:

Call us at 209.383.5550 or 800.542.2345 or write to us at P. O. Box 1349, Merced, CA 95341, in time for us to receive your request three business days or more before the payment is scheduled to be made. If you call we may also require you to put your request in writing and get it to us within 14 days after you call.

b) Notice of varying amounts.

If these regular payments vary in amount, the person you are going to pay will tell you 10 days before each payment, when it will be made and how much it will be. You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.

TRANSACTIONS AVAILABLE

You may use your ACH services to perform the following transactions:

- Make deposits to your savings or checking account;
- Make loan payments;
- Pay bills directly from your savings or checking account in the amounts and on the days you request;
- Authorize a merchant or other payee to make a one-time electronic payment from your checking account using information from your check to pay bills or pay for purchases; and
- Authorize a merchant or other payee to debit your checking account for returned check fees or returned debit entry fees.

All payments and deposits are subject to later verification by us.

➡ *Additional Disclosures Applicable to ATM and POS Services*

RULES FOR USE

By using your ATM/POS Card with your personal identification number (PIN) at automated teller machines ("ATM's") or other electronic terminals operated by a participating institution, network system, or company (collectively "terminals"), you authorize us to effect the transactions from or to your savings or checking account(s) in accordance with the instructions given at the terminals. All ATM/POS Card transactions are subject to the terms and conditions of your account agreements with us governing the affected accounts.

ATM FEES

When you use an ATM not owned by Merced School Employees Federal Credit Union, you may be charged a fee by the ATM operator and you may be charged a fee for a balance inquiry even if you do not complete a fund transfer. A fee will not be imposed for use of an ATM or Debit Card issued by Merced School Employees Federal Credit Union or use of an electronic terminal operated by Merced School Employees Federal Credit Union.

TRANSACTIONS AVAILABLE

You may use your ATM/POS Card to perform the following transactions:

- Make deposits to your Regular Savings or checking account;
- Withdraw cash from your Regular Savings or checking and Line of Credit account;
- Transfer funds between your Regular Savings and checking account;
- Make point-of-sale payments for goods and services to others from your checking account;
- Access your Line of Credit Account for loan advances; and
- Make account balance inquiries.

Some of the transactions listed above may not be available at all terminals. All payments and deposits are subject to later verification by us.

LIMITATIONS ON TRANSACTIONS

You must open an A+ Checking Account or Dollars & Cents Checking and maintain a minimum balance of \$25 in your Regular Savings Account or open an ABC Account and maintain a minimum balance of \$5 in your Regular Savings Account to use all of the services listed above. If you request an ATM Card and do not have a checking account you must maintain a balance of \$5 in your Regular Savings Account and you will be limited to ATM services only. You may make ATM cash withdrawals up to \$500 and POS transactions up to \$2,500 each 24-hour period as long as your available balance will cover the transaction. You may make up to nine (9) ATM transactions each 24-hour period. For your ATM Card you may make up to nine (9) daily POS transactions and for your Debit Card

you may make up to twenty (20) daily POS transactions. Various institutions which participate in networks of which the Credit Union is a member may have withdrawal limits different from the amount set forth herein. In the event that a specific ATM is so limited, you may not be able to withdraw more than the cash limit of that particular ATM.

ACCESS CARDS

All ATM/POS/Debit Cards are non-transferable and belong to the Credit Union. The Credit Union may cancel, modify and restrict the use of any ATM/POS/Debit Card upon proper notice or without notice if your account is overdrawn or where necessary to maintain or restore the security of accounts on the ATM system.

ATM SAFETY

An ATM provides a quick and convenient way to access your money. However, use caution and remember the following safety tips whenever you use an ATM:

- Be aware of the surroundings, particularly at night.
- Look for well-lighted ATM's when transacting at night.
- If you notice anything suspicious when approaching the ATM, return later or use another ATM.
- Have your transaction ready before you go to the ATM. When you can, fill out any deposit or withdrawal slips/envelopes before leaving your vehicle.
- Have your ATM Card ready, to avoid going through your purse or searching through the contents of your wallet at the ATM site.
- If you notice anything suspicious while you are transacting business, immediately stop your transaction, put your ATM Card away and leave.
- Consider having another person accompany you to the ATM.
- Immediately report all crimes to the ATM operator and to local law enforcement officials.
- Stand close to the ATM and away from others in line to avoid detection of your PIN or other account information.
- Put your cash away as soon as the transaction is complete; count the cash later in the safety of your vehicle or home.
- Never give information to strangers at the ATM or to anyone over the phone. Be aware of fraud or people who pose as Credit Union employees who try to get information from you. This information should only be discussed in person by you at the Credit Union.
- Remember to keep your PIN a secret. Make sure not to write it on your ATM/Debit Card or anywhere else in your wallet; thieves can easily figure out the reason for "hidden" or "secret" numbers.

FOREIGN TRANSACTIONS

Purchases and cash advances made in foreign currencies will be billed to you in U.S. dollars. Transactions processed outside of the United States, or in a foreign currency may be charged a foreign transaction fee, regardless of whether there is a currency conversion associated with the transaction. The conversion rate in dollars will be a rate selected by Visa from a range of rates available in wholesale currency markets for the applicable Central Processing Date, which rate may vary from the rate Visa itself receives, or the government-mandated rate in effect for the applicable Central Processing Date in each instance, plus a one percentage point (1%) fee charged by the Issuer.

➔ *Additional Disclosures Applicable to Audio Response "Day and Night Teller"*

TRANSACTIONS AVAILABLE

You may use your Day and Night Teller service to perform the following transactions:

- Obtain account and loan balances;
- Obtain loan payment due date;
- Obtain last dividend, date and amount;
- Obtain clearance of specific checks;
- Transfer funds between your savings or checking and Line of Credit account;
- Transfer funds between your savings or checking account to another member's Credit Union account;
- Access your Line of Credit Account to request loan advances; and
- Make loan payments.

All payments and deposits are subject to later verification by us.

➔ *Additional Disclosures Applicable to ATM Debit Card Services*

ISSUANCE OF CARD

"Card" means the Merced School Employees Federal Credit Union's ATM Debit Card and any duplicates, renewals or substitutions the Credit Union issues to you; "Account" means the account designated on the application for your ATM/Debit Card.

RESPONSIBILITY FOR TRANSACTIONS

You are responsible for all transactions you make with the Card or that you authorize another person to make with the Card. You understand that if you disclose your ATM/Debit Card PIN to anyone, they will have access to all accounts identified by your account number. If the Account is a joint account, all transactions involving the account are binding on all Account holders.

LIMITATIONS ON DOLLAR AMOUNTS AND FREQUENCY OF TRANSACTIONS

Purchases made above the floor limit of the merchant will require an authorization number from Visa.

USE OF THE CARD

You may use the Card and PIN to:

- Withdraw cash from your savings or checking and loan account at ATMs, merchants, or financial institutions that accept Visa Debit Cards;
- Transfer funds between your savings or checking account you have with the Credit Union;
- Make deposits to your savings or checking account at the Credit Union; and
- Purchase goods or services at places that accept Visa Debit Cards (these are point-of-sale or POS transactions);

You may use the Card without the PIN to:

- Purchase goods or services at places that accept Visa Debit Cards;
- Order goods or services by mail, telephone or Internet from places that accept Visa Debit Cards;
- Order goods or services without a PIN by mail, online, or telephone at merchants who offer the payment transactions processed through the STAR, PULSE, CO-OP, or any other Debit Card network; and
- Make automatic payments from your checking account to pay bills or other charges, providing that the person or organization that you are paying agrees to accept payments this way.

Some of these services may not be available at all terminals.

Use of the card, the account number on the Card, the PIN or any combination of the three for payments, purchases, or to obtain cash from merchants, financial institutions or others who honor Visa Debit Cards is an order by you for the withdrawal of the amount of the transaction from your account. Each transaction with the card will be charged to your account on the date the transaction is posted to your account. When the Credit Union receives notification of a Debit Card transaction, it will put a hold on an equivalent amount of funds in your checking account for 3 days or until the transaction is charged to your account, whichever occurs first.

All card transactions covered by this Agreement are subject to the terms and conditions of your account agreements with us governing the affected accounts, except as modified by this Agreement. Any future changes to your account agreements may affect the use of the card.

ILLEGAL USE OF VISA® DEBIT CARD

You agree that your Visa Debit Card Account will not be used to make or facilitate any transaction(s) that are or might be construed to be illegal pursuant to applicable law, rule or ordinance, including but not limited to gambling. Said use, including any such authorized use, will constitute an event of default under this Agreement. You agree that the Credit Union has no liability, responsibility or culpability whatsoever for any such use by you or any authorized user(s). You agree that you are responsible for repayment of any and all debts incurred for these transactions. You further agree to indemnify and hold the Credit Union harmless from any suits, liability, damages or adverse action of any kind that results directly or indirectly from such illegal use.

OVERDRAFTS

You promise to pay the Credit Union immediately upon demand for any negative (overdraft) balance arising in your account, unless you have available overdraft privileges. If you do not have overdraft privileges, the Credit Union may deduct the amount of any overdraft on your account from any other account you have with the Credit Union, except an Individual Retirement Account, or Health Savings Account.

REFUSAL TO HONOR CARD

The Credit Union is not liable for the refusal or inability of any electronic terminal to honor the Card or to complete a withdrawal from your account, or for their retention of the card. The Credit Union is also not responsible for the refusal of any merchant or financial institution to honor the card or for their retention of the card.

FOREIGN TRANSACTIONS

Purchases and cash advances made in foreign currencies will be billed to you in U.S. dollars. Transactions processed outside of the United States, or in a foreign currency may be charged a foreign transaction fee, regardless of whether there is a currency conversion associated with the transaction. The conversion rate in dollars will be a rate selected by Visa from a range of rates available in wholesale currency markets for the applicable Central Processing Date, which rate may vary from the rate Visa itself receives, or the government-mandated rate in effect for the applicable Central Processing Date in each instance, plus a one percentage point (1%) fee charged by the Issuer.

➔ *Additional Disclosures Applicable to Home Banking “cu@home”*

Cu@home allows convenient access to your account information 24 hours a day. To use cu@home you must have a computer, modem, Internet Service, browser, your account number and a PIN or Access Code.

TRANSACTIONS AVAILABLE

You may use your cu@home service to perform the following transactions:

- Obtain account/loan balance information;
- Obtain loan payment due date and payoff information;
- Obtain last dividend, date and amount;
- Obtain clearance of specific checks;
- Transfer funds between your savings or checking account and Line of Credit;
- Download transaction information to personal financial management software from savings or checking account;
- Transfer funds from your account to another member’s account;
- Make loan payments;
- Pay bills through Bill Pay from checking account; and
- View e-statements.

➔ *Additional Disclosures Applicable to On-Line “Bill Pay”*

To use Bill Pay you must have a computer, modem, Internet Service, browser, your account number and a PIN or Access Code.

RIGHT TO STOP PAYMENT OF PREAUTHORIZED TRANSFERS AND RIGHT TO RECEIVE NOTICE OF VARYING AMOUNTS

- Right to stop payment and procedure for doing so.

If you have told us in advance to make regular payments out of your account, you can also stop any of these payments. You may place a stop payment through cu@home online banking or by calling MSEFCU at 209.383.5550 or 800.542.2345.

- Notice of varying amounts.

If these regular payments vary in amount, the person you are going to pay will tell you ten (10) days before each payment, when it will be made and how much it will be. You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment, or when the amount would fall outside certain limits that you set.

TRANSACTIONS AVAILABLE

You may use your Bill Pay service to perform the following transactions:

- Add/Edit Payees: Payees refers to the entity to which you pay bills. The payees can be a company, organization, or individual. The Add/Edit Payee feature allows you to add payees to, delete payees from or edit payee information on your personal list of payees.
- Make nonrecurring payments from checking: This feature allows you to schedule one-time payments to payees. This feature enables you to specify the amount of the payment and the processing date.
- Make recurring payments from checking: This feature allows you to schedule recurring payments to payees.
- View History: View History permits you to see payments made over an 18 month period.

LIMITATIONS ON TRANSACTIONS

The following are limitations to the use of the Credit Union’s Bill Pay service:

- Transactions may not exceed \$10,000 during any 24-hour period;
- The maximum you may withdraw by check is \$10,000 during any 24-hour period.
- Bill payments can only be made from your checking account;
- Payments cannot be made for tax payments, court-ordered payments or payments to payees outside of the United States;
- If you close the designated bill payment checking account, all scheduled payments will be stopped;
- You cannot stop a payment if the payment has already been processed;
- You can schedule payments 24 hours a day, seven days a week, however, payments scheduled on a Saturday, Sunday, or holiday will be processed within one to two business days; and
- The bill being paid must be in the member’s name.

METHODS AND RESTRICTIONS

Payments are made to your payee either electronically via the Automated Clearing House (ACH) or by check or laser draft. The method of payment depends upon the processing method that can be accommodated by the payee or by our bill payment service provider.

It is important that you take into consideration what method of bill payment will be used when scheduling bill payments to ensure payment deadlines are met. If the payee accepts electronic bill payment, the payment may take up to four business days to process. If the payee does not accept electronic bill payment, the payment will be sent in a check form, and may take up to ten business days to process.

MEMBER RESPONSIBILITIES

You are responsible for:

- Any late payment, late fees, interest payments, and service fees charged by payee(s);
- Any overdraft, NSF or stop payment fees charged by the Credit Union as a result of these transactions;
- Data input of payee information (payment amount(s), name, address and any other pertinent information); and
- You must allow sufficient time for bill payments to be processed so that the funds can be delivered to the payees on or before the due date.

➤ *Additional Disclosures Applicable to Mobile Banking Services*

To use the Mobile Banking service, you must meet all of the following criteria:

- Maintain an active Credit Union checking account;
- Be registered for the cu@home Home Banking service. Once registered for cu@home, you must log in to the service to register for Mobile Banking; and
- Have a mobile device with a service plan that includes text messaging and data and Internet access. Third party fees may apply for data and Internet access and text messaging. Contact your mobile device carrier for additional information.
- Download the Merced School Employees Federal Credit Union Mobile Application from your device's application store. The Operating System version must be compatible with the latest version of the application, as determined by your device's application store.

Complete Terms and Conditions for the Mobile Banking service is available online when you register for the service or you may contact the Credit Union for more information.

➤ *Mobile Deposit Disclosure and Agreement*

To use Mobile Deposit, you must meet all of the following criteria:

- Maintain an active Credit Union checking account;
- Be registered for the cu@home Home Banking service. Once registered for cu@home, you must log in to the service to register for Mobile Deposit;
- Have a mobile device with a service plan that includes text messaging and data and Internet access. Third party fees may apply for data and Internet access and text messaging. Contact your mobile device carrier for additional information; and
- Download the Merced School Employees Federal Credit Union Mobile Application from your device's application store. The Operating System version must be compatible with the latest version of the application, as determined by your device's application store.

Complete Terms and Conditions for Mobile Deposit is available online when you register for the service or you may contact the Credit Union for more information.

➤ *Regulations Relating to Fund Transfers*

APPLICABLE LAW

This agreement and notice applies to funds transfers as defined in the Article 4A of the Uniform Commercial Code and Subpart B of Regulation J of the Board of Governors of the Federal Reserve System.

FUNDS TRANSFER CUT-OFF TIME

The Credit Union may establish or change cut-off times for the receipt and processing of funds transfer requests, amendments, or cancellations. Unless other times are posted for the various types of funds transfers, the cut-off time will be at 12:00 p.m. on each weekday that the Credit Union is open excluding holidays. Payment orders, cancellations, or amendments received after the applicable cut-off time may be treated as having been received on the next funds transfer business day and processed accordingly.

SERVICE CHARGES/FEEES

The Credit Union may charge your account for the amount of any funds transfer initiated by you or by any person authorized by you as a joint tenant or other authorized party with the right of access to the account from which the funds transfer is to be made. Please refer to our Schedule of Fees and Charges for current fees.

SECURITY PROCEDURES

The Credit Union may establish, from time to time, security procedures to verify the authenticity of a payment order. You will be notified of the security procedure, if any, to be used to verify payment orders issued by you or for which your account will be liable. You agree that the authenticity of payment orders may be verified using that security procedure unless you notify the Credit Union in writing that you do not agree to that security procedure. In that event, the Credit Union shall have no obligation to accept any payment order from you or other authorized parties on the account until you and the Credit Union agree, in writing, on an alternate security procedure.

USE OF FEDWIRES

If you send or receive a wire transfer, Fedwire may be used. Regulation J will govern Fedwire transactions, except to the extent of a conflict between Regulation E and Regulation J with respect to remittance transfers, in which case, Regulation E shall govern.

IDENTIFICATION OF BENEFICIARY

If you give the Credit Union a payment order which identifies the beneficiary (recipient of the funds) by both name and identifying or account number, payment may be made by the beneficiary's bank on the basis of the identifying or bank account number, even if the number identifies a person different than the named beneficiary. This means that you will be responsible to the Credit Union if the funds transfer is completed on the basis of the identification number you provided the Credit Union.

IDENTIFICATION OF BENEFICIARY AND INTERMEDIARY BANK BY NUMBER

If you give the Credit Union a payment order which identifies an intermediary or beneficiary's bank by both name and an identifying number, a receiving bank may rely on the number as the proper identification even if it identifies a different bank than the named bank. This means that you will be responsible for any loss or expenses incurred by a receiving bank which executes or attempts to execute the payment order in reliance on the identifying number you provided.

PROVISIONAL ACH PAYMENTS

The Credit Union may at its discretion give you credit for Automated Clearing House (ACH) payments before it receives final settlement of the funds transfer. Any such credit is provisional until the Credit Union receives final settlement of the payment. You are hereby notified and agree, if the Credit Union does not receive such final settlement, that it is entitled to a refund from you of the amount credited to you in connection with that ACH entry. This means that the Credit Union may provide you with access to ACH funds before the Credit Union actually receives the money. However, if the Credit Union does not receive the money, then the Credit Union may reverse the entry on your account and you would be liable to repay the Credit Union.

NOTICE OF RECEIPT OF ACH FUNDS

ACH transactions are governed by operating rules of the National Automated Clearing House Association. In accordance with these rules, the Credit Union will not provide you with next day notice of receipt of ACH credit transfers to your account. You will continue to receive notices of receipt of ACH items in the periodic account statements which we provide.

RECEIPT OF INCOMING (NON-ACH) FUNDS TRANSFERS

If the Credit Union receives a funds transfer for you or for other persons authorized to have access to your account, you agree that the Credit Union is not obligated to provide you with next day notice of the receipt of the funds transfer. The Credit Union will provide you with notification of the receipt of all funds transfers by including such items in the periodic account statements which we provide. You may, of course, inquire between receipt of periodic statements whether or not a specific funds transfer has been received.

PAYMENT OF DIVIDENDS (OR INTEREST)

If the Credit Union becomes obligated under Article 4A to pay interest (or dividends) to you, you agree that the rate of interest (or dividends) to be paid shall be equal to the dividend rate, on a daily basis, applicable to the account at the Credit Union to which the funds transfer should have been made or from which the funds transfer was made.

YOUR ABILITY TO WITHDRAW FUNDS

Our policy is to make funds from your deposits available to you on the first business day after the day we receive your deposit. Electronic direct deposits will be available on the day we receive the deposit. Once they are available, you can withdraw the funds in cash and we will use the funds to pay checks that you have written.

We will generally make funds from your deposited checks available to you sooner than we are able to collect the funds for that check. In some cases, checks you deposit may be returned unpaid. You are responsible for your deposits, even if we previously made those funds available to you and you withdrew them. If a check you deposited is returned unpaid for any reason, you will have to repay us and we may assess a returned item fee as set forth in our Fee Schedule, even if doing so causes your account to become overdrawn.

For determining the availability of your deposits, every day is a business day, except Saturdays, Sundays, federal holidays and Credit Union holidays.

If you make a deposit on a business day that we are open, we will consider that day to be the day of your deposit. If you make a deposit before 2:30 p.m. at an express deposit/night drop or by mail on a business day that we are open, we will consider that day to be the day of your deposit. However, if you make a deposit after 2:30 p.m. at an express deposit/night drop or by mail, or on a day we are not open, we will consider that the deposit was made on the next business day that we are open.

LONGER DELAYS MAY APPLY

In some cases, we will not make all of the funds that you deposit by check available to you on the first business day after the day of your deposit. Depending on the type of check that you deposit, funds may not be available until the second business day after the day of your deposit. However, the first \$225 of your deposits will be available on the first business day.

If we are not going to make all of the funds from your deposit available on the first business day, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice by the day after we receive your deposit.

If you will need the funds from a deposit right away, you should ask us when the funds will be available.

In addition, funds you deposit by check may be delayed for a longer period under the following circumstances:

- We believe a check you deposit will not be paid.
- You deposit checks totaling more than \$5,525 on any one day.
- You redeposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last six months.
- There is an emergency, such as failure of communications or computer equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the seventh business day after the day of your deposit.

SPECIAL RULES FOR NEW ACCOUNTS

If you are a new member, the following special rules will apply during the first 30 days your account is open. Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers, and the first \$5,525 of a day's total deposits of cashier's, certified, teller's, federal, state and local government checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you. The excess over \$5,525 will be available on the ninth business day after the day of your deposit.

Funds from all other check deposits will be available on the ninth business day after the day of your deposit.

DEPOSITS AT AUTOMATED TELLER MACHINES

Funds from any deposits (cash or checks) made at automated teller machines (ATM's) we do not own or operate may not be available until the fifth business day after the day of your deposit. This rule does not apply at ATM's that we own or operate. All ATM's that we own or operate are identified as our machines.

IMPORTANT NOTICE ABOUT YOUR ACCOUNT(S) (CALIFORNIA RESIDENTS)

In accordance with California's Unclaimed Property Law, C.C.P. §1500, et seq., any funds held by the Credit Union (including, without limitation, funds in a share, share draft, certificate, or other account, sums for the payment of cashier's checks, teller's checks, etc.) may be transferred to the Unclaimed Property Division of the California State Controller's Office if no activity occurs in the account within the time period specified by state law.

We may assess a fee for sending you notice regarding your unclaimed property as set forth in our Fee Schedule.

GENERAL TERMS AND CONDITIONS OF YOUR CREDIT UNION ACCOUNTS

DEFINITIONS

ACCOUNT AGREEMENT means any savings, checking, term savings account, trust, totten trust or UTMA account.

TIS AGREEMENT means Truth In Savings Agreement entitled, "About Your Credit Union Accounts."

MEMBERSHIP & ACCOUNT APPLICATION

The terms, conditions and information contained in the Membership & Account Application, and all amendments thereto, are by this reference hereby incorporated in their entirety into this TIS Agreement and become an integral part of the General Terms and Conditions of the Credit Union Accounts.

ACCOUNT OWNERSHIP AND TYPES

The ownership of individual, joint, pay-on-death, living trust, totten trust, organizational and custodial accounts (under the "Uniform Transfers to Minors Act") shall be governed by the applicable Account Agreement.

Unless otherwise specified in the Account Agreement, the parties who sign an Account Agreement agree with each other and with the Credit Union that all funds in the accounts shall be owned as follows:

- **Individual Accounts:** The account or term savings account is owned by the party named on the Account Agreement ("Account Holder"). Upon the death of the party, ownership passes to the named pay-on-death payee(s), designated as the beneficiary(ies) on the Account Agreement.
- **Joint Accounts:** The account or term savings account is owned by the parties named on the Account Agreement ("Account Holders"). Upon the death of any of them, ownership passes to the survivor(s). Upon the death of all of them, ownership passes to the named pay-on-death payee(s), designated as the beneficiary named on the Account Agreement.

CUSTODIAL (UTMA) ACCOUNT

This Custodial Account is established as a result of the transfer of the funds deposited in the Custodial Account for the benefit of the minor named as beneficiary on the Account Signature Card. This transfer is irrevocable and includes all earnings on this Account. Neither the donor of the funds nor the custodian is entitled to the use or benefit of the funds, except for the benefit of the minor as allowed by California Uniform Transfers to Minors Act. The Credit Union is authorized to act without further inquiry in accordance with writings bearing the signature of the custodian. The terms of the California Uniform Transfers to Minors Act, as amended, are hereby incorporated herein by this reference.

TOTTEN TRUST ACCOUNTS

All shares in this Totten Trust Account and all dividends paid or credited thereon shall be held by the Trustee(s) in trust for the beneficiary(ies) named below subject to the right of the Trustee(s) or any one of them from time to time and in their sole discretion to revoke the same to the extent of any withdrawal of funds from this Account. In the case of multiple trustees, each trustee shall be considered the joint tenant of the other. Upon the death of the Trustee, (or if more than one, upon the death of the last surviving Trustee), the balance remaining in this Account shall be distributed to the beneficiaries in equal shares. If there are no surviving beneficiaries, the balance remaining in this Account shall be distributed to the estate of the last surviving Trustee.

The Credit Union may require certain legal documents before releasing funds in the Account. Upon the death of the trustee or the last surviving trustee, payment on a Totten Trust Account will be made to the beneficiaries within a reasonable time. Until final payment is made, the Credit Union shall continue to operate the Account according to the terms of this Agreement. The terms of this Account may not be altered by will or other testamentary instrument.

FIDUCIARY ACCOUNTS

In order to open your fiduciary account, you shall present to the Credit Union the court order appointing you as executor/executrix, administrator/administratrix, guardian or conservator. Immediately upon receipt or as otherwise required by the court, you shall present to the Credit Union any court order modifying your appointment or your powers to transact business on this Account.

In your capacity as executor/executrix, administrator/administratrix, guardian or conservator, you certify to the Credit Union that:

- i) You have been appointed to act in the capacity of executor/executrix, administrator/administratrix, guardian or conservator.
- ii) you are authorized and empowered to transact any and all business on this account. Your authority shall continue in force until written notice to the contrary is received by the Credit Union.

LIVING TRUST ACCOUNT

You understand and agree that this Living Trust Account will be governed by the terms and conditions of this Agreement. For a revocable living trust at least one trustor of the trust must be a member of the Credit Union, and for an irrevocable living trust either all of the trustors or all of the Beneficiaries of the Trust must be members of the Credit Union. Regarding any transaction on this account, the Credit Union may ask the trustee to provide a certification of trust, and the Credit Union will not read, interpret or retain copies of the trust agreement. The trustee agrees to notify the Credit Union of any changes in the terms of the trust that would affect the trustee's authority to transact business on the Living Trust Account or status of the membership of the parties to the trust.

PAYABLE ON DEATH ACCOUNTS

A pay on death account ("P.O.D. Account") is an account payable on request to one or more Account Owner(s) during their lifetime and on the death of all Account Owners to one or more pay on death beneficiaries. The pay on death beneficiaries are the person or persons designated as such on the Account Signature Card; you may modify the pay on death beneficiaries by completing a new Account Signature Card or completing a new designation of beneficiary on the form provided by the Credit Union. The pay on death beneficiary has no rights to the funds in the Account during the lifetime of any Account Owner.

On death of the sole Account Owner or of the survivor of two or more Account Owners:

- i) any funds remaining in the Account belong to the P.O.D. payee or payees if surviving, or to the survivor of them if one or more die before the death of the sole Account Owner or the last surviving Account Owner;
- ii) if two or more P.O.D. payees survive, any funds remaining on deposit belong to them in equal and undivided shares unless the Account Signature Card expressly provides for different shares; and
- iii) if two or more P.O.D. payees survive, there is no right of survivorship in the event of death of a P.O.D. payee.

The Credit Union may require certain legal documents before releasing funds in the Account. Upon the death of the sole Account Owner or the last surviving Account Owner, payment on a P.O.D. Account will be made to the beneficiaries within a reasonable time. Until final payment is made, the Credit Union shall continue to operate the Account according to the terms of this Agreement. The terms of this Account may not be altered by will or other testamentary instrument.

SPECIAL RULES FOR JOINT ACCOUNTS

Withdrawals by and Liability of Joint Owners - The Account Holders of an account agree with each other and with the Credit Union that all funds and all accumulations thereon are and will be owned by all Account Holders jointly and equally regardless of their net contributions and are subject to the withdrawal of or receipt by any of the Account Holders, and payment to any of them shall be valid and discharge the Credit Union from any and all liability for such payment. The Account Holders of an account expressly agree that each Account Holder is jointly and severally liable for any and all overdrafts, losses or charges to an account created by any Account Holder(s).

Deposits – The Credit Union may cash or deposit all checks payable to any signer when endorsed by any other signer.

Disputes – If there is a dispute about ownership or control of an account, the Credit Union may place a hold on the account and not release funds until the Credit Union receives either a court order or an instruction signed by all persons claiming an interest in the account.

CONSENT TO CONTACT (NON-TELEMARKETING ONLY)

You give your express consent for the Credit Union and others acting on our behalf to contact you at any telephone number you give to us or we obtain from any other source (including any wireless phone or VoIP number), using any calling or texting technology (including any automatic telephone dialing system, artificial voice or prerecorded voice), regarding this account or any other relationship you now or later have with the Credit Union. You agree that you have not provided, and will not provide to us, any telephone number unless you are the subscriber to the service or the customary user of the telephone to which that number relates unless you tell us in writing. If you revoke this authorization, you agree to do so in a way that is likely to provide us with notice in time to process that revocation before we make any further calls or send any further texts, such as by using one of the methods designated by the Credit Union for such purpose

NOTICE

Notice to one Account Holder shall constitute notice to all persons authorized to have access to the account.

ABILITY TO PLEDGE FUNDS

Any or all of the joint Account Holders may pledge all or any part of the funds as security for a loan or loans with the Credit Union only.

ENFORCEMENT OF LIENS

All funds in an account remain subject to any and all liens, including but not limited to statutory liens and/or consensual liens, security interests, rights of offset and charges, notwithstanding the source of the contribution.

FINANCIAL ABUSE REPORTING

Account Holder(s) understand(s) and agree(s) that the Credit Union may report known or suspected illegal or fraudulent activity including, but not limited to, the following:

- Financial abuse involving an elder or dependent adult;
- Where the ownership or collectability of funds are subject to dispute; or
- Misuse or abuse of account services;

to appropriate law enforcement or government entities, as required or permitted by law. In addition, the Credit Union reserves the right to suspend, restrict, deny or terminate account services and activity, including the placement of an administrative hold (freeze) on account proceeds, or take such other actions as deemed necessary under the circumstances. Account Holder(s) agree(s) to indemnify and hold the Credit Union harmless from and against all claims, actions, damages, losses, and expenses, including attorneys' fees, as a result of any action or inaction taken in relation to the matters described here.

NOTIFICATION OF CHANGES

Each Account Holder agrees to promptly notify us in writing of any change in address(es). If you fail to do so, we may send notices, statements or other important information to the address shown in our records and you agree to release us from any liability for doing so. You also agree to notify us in writing of any change in ownership or authorized signers, or if an owner or authorized signer dies or is placed under legal guardianship or conservatorship. We may, at our option, require a new Account Agreement to be completed before any such change takes effect. Any such changes shall not affect transactions previously made.

WAIVER OF CERTAIN RIGHTS

The Credit Union reserves the right to waive the enforcement of any of the provisions of this TIS Agreement with respect to any transaction or series of transactions. Any such waiver will not affect the right of the Credit Union to enforce any of its rights with respect to later transactions and is not sufficient to modify the terms and conditions of this TIS Agreement.

CONSUMER REPORTS

The Credit Union makes credit available to its members on a regular basis. The Applicant(s)/Account Holder(s) of the account authorizes the Credit Union to obtain consumer reports in connection with credit and business transactions involving the Applicant(s)/Account Holder(s), including but not limited to applying for membership, the opening of a savings or checking account or the issuance of an ATM card, Debit card, or other service provided by the Credit Union, and the Applicant(s)/Account Holder(s) of the account authorize any person, association, or corporation to furnish on request of this Credit Union, information concerning the affairs of the Applicant(s)/Account Holder(s). The Applicant(s)/Account Holder(s) also authorizes the Credit Union to furnish information concerning the account to consumer reporting agencies.

NEGATIVE CREDIT REPORTING

We may report information about your account to credit bureaus. Late payments, missed payments, or other defaults on your account may be reflected in your credit report.

REPORTING INACCURATE INFORMATION

If you believe the Credit Union is reporting inaccurate information to a credit reporting agency, please notify us at Merced School Employees Federal Credit Union, P.O. Box 1349, Merced, CA 95341, so we can investigate.

POST-DATED CHECKS

The Credit Union will treat all checks as though the checks were written on the date presented.

EXAMINATION OF STATEMENTS

The Account Holder(s) to whom the periodic statement of account is sent agree(s) to exercise reasonable care and promptness in examining the statement to discover any errors or discrepancies, and to promptly notify the Credit Union after discovery thereof.

NON-CASH PAYMENTS

Non-cash payments deposited into an account may be credited subject to final payment.

FEES AND CHARGES

All accounts shall be subject to service charges in accordance with fee schedules adopted by the Credit Union as amended from time to time.

ATTORNEYS' FEES

You agree to pay the Credit Union all of our costs and reasonable attorneys' fees, including all collection costs, litigation costs, skip-tracing fees, and outside services fees incurred while we are enforcing our rights under this Agreement.

CREDIT UNION'S RIGHT TO OFFSET

Account Holder(s) agrees that the Credit Union has the right to offset against any account of any Account Holder to cover any amount owing to the Credit Union for any reason. Account Holder(s) understand that this means that the Credit Union has the right to impress and enforce a statutory lien against the Account Holder(s)'s share and dividends in the event of the failure of the Account Holder(s) to satisfy any financial obligation due and payable to the Credit Union. Account Holder(s) understand that the Credit Union may enforce this right without further notice except Individual Retirement Accounts (IRA), Health Savings Account (HSA), Keogh Plan, Social Security/SSI, and as otherwise prohibited by law.

GOVERNING LAW

This TIS Agreement shall be construed in accordance with the laws of the State of California, including the California Uniform Commercial Code (UCC).

➔ *Savings Account Agreement*

WITHDRAWALS, PRIOR NOTICE REQUIREMENT

The Credit Union reserves the right to require prior written notice of intention to withdraw all or any part of savings not to exceed the notice requirement as set forth in the Credit Union's bylaws.

➔ *Checking Account Agreement*

WITHDRAWALS, APPROVED METHODS

Only check blanks and other methods approved by the Credit Union may be used to withdraw funds from a checking account.

ELECTRONIC CHECK CONVERSION

Upon prior notification from the merchant to the Account Holder, a purchase made with a check can be converted to a one-time electronic fund transfer (EFT) if authorized by the Account Holder. The Account Holder may also authorize merchants to electronically debit the account for returned check fees. It is agreed that the Account Holder authorizes the electronic funds transfers if the transaction is completed after being told (orally or by a notice posted) that the transfer may be processed electronically or if the Account Holder signs a written authorization.

DEMAND DRAFTS

The Credit Union may pay and charge to the applicable checking account, checks drawn by and payable to any person, organization, association or corporation that has been authorized by an Account Holder to be paid, by the provision of MICR encoded information on the account. It is agreed that the Credit Union's rights in respect to such checks shall be the same as if it were a check drawn and signed by an Account Holder(s) personally. This authority shall remain in effect until revoked by an Account Holder in writing. It is agreed that the Credit Union shall be fully protected in honoring such checks. It is further agreed that if any such check is dishonored, whether with or without cause, and whether intentionally or inadvertently, the Credit Union shall incur no liability whatsoever, even though such dishonor results in the forfeit of insurance, loss or damage of any kind.

OVERDRAFTS

The Credit Union is under no obligation to pay a check which exceeds the available balance in an account; the Credit Union may, however, pay such a check and recover or obtain a refund of the amount of the resulting overdraft plus a service charge from any of the Account Holders of this account, each of whom expressly agrees that each Account Holder is jointly and severally liable for any and all overdrafts of this account and any and all associated costs created by any Account Holder.

NOTICE REGARDING NSF FEES: When an item is returned unpaid due to insufficient available funds [and not covered by Overdraft Privileges,] you will be charged an Overdraft or Non-Sufficient Funds (NSF) fee, as stated in the Credit Union's Fee Schedule. If multiple items are returned unpaid due to insufficient available funds on the same day, you will be charged an NSF fee for each returned item. The same item may be presented for payment more than once, and you will be charged an NSF fee each time that item is presented and returned due to insufficient available funds.

Order of Posting: The order in which items are paid is important if there is not enough money in your account to pay all of the items that are presented. We will pay checks, automated debits (ACH), ATM/Debit Card transactions, ATM withdrawals and point-of-sale transactions in the order presented to the Credit Union. Multiple checks presented for payment on the same day will be paid in check number order. For ACH transactions, deposits are posted first then debits are posted by settlement date, then lowest to highest amount. For ATM Card and Debit Card transactions, items are posted in the order received. You understand that the order in which items are processed can affect the total amount of fees that may be assessed against your account. The Credit Union reserves the right to adjust the above processing times in its sole discretion.

Actual and Available Balances: It is also important that you understand the difference between your “actual balance” and your “available balance” in order to properly manage the money in your account and avoid overdraft and insufficient fund fees. Your “actual balance” is the beginning of the day balance after the prior evening’s posting. This balance is changed at the close of business every day and stands as is until the close of business on the following day. Your “available balance” is the amount you have in your account at a particular time that is available for immediate withdrawal. Your available balance is updated throughout the day to reflect holds, pending transactions and cleared deposits. The difference between your actual balance and your available balance is the result of pending activity that has not yet posted to the account (example, any “pending” deposits, checks, transfers and withdrawals or holds on your account). We will use the “available balance” in your account to determine if you have sufficient funds to cover your transactions. You can determine your available balance at the ATM, by phone or by accessing your account online or with mobile banking.

You understand that you may be overdrawn and charged an overdraft fee when your actual balance is positive. You also understand that you may still overdraw your account even though the available balance appears to show there are sufficient funds to cover a transaction that you wish to make because your available balance will not reflect all your outstanding checks, automatic bill payments or recent deposits. In addition, your available balance will not reflect all of your debit card transactions. For example, if a merchant obtains your prior authorization but does not submit a one-time debit card transaction for payment within three (3) business days of authorization (or for up to thirty (30) business days for certain types of debit card transactions), we are required to release the authorization hold on the transaction. The available balance will not reflect this transaction once the hold has been released until the transaction has been received by us and paid from your account. We do not determine and are not responsible for any hold amounts placed by merchants. We encourage you discuss such holds with merchants to determine how much the merchant may place on hold. You must also keep careful records and practice good account management to avoid making transactions without sufficient funds available for withdrawal. For additional details on the availability of your funds for withdrawal, see the section entitled “Funds Availability Policy.” If you have additional questions about your available or actual balance, please see a branch representative or call us at 209.383.5550 or 800.542.2345.

Example 1: If you write a check for \$25 but it has not yet cleared your account, your available balance will be \$25 less than what is reflected by your actual balance.

Example 2: If you authorize a debit card transaction for \$30 but it has not yet posted to your account, your available balance will be \$30 less than what is reflected by your actual balance.

Example 3: The following transactions are not reflected in your available balance:

- Any checks you have written that have not yet been presented for payment.
- Any automatic bill payments you have scheduled that have not yet been sent.
- Any debit card transactions where the authorization hold has been released but the transaction has not yet been submitted to the Credit Union.

STALE-DATED CHECKS

The Credit Union is under no obligation but may pay a check which is presented more than six (6) months after it is dated. The Credit Union may assess a special handling charge upon receipt of any such item in addition to a service charge upon the account in accordance with the fee schedules adopted by the Credit Union and as amended from time to time.

STOP PAYMENTS

Any Account Holder(s) of this account may stop payment of any item drawn against the account. The Stop Payment Order must describe the item with reasonable certainty and must be received in such time and manner as to afford the Credit Union a reasonable opportunity to act upon it. A Stop Payment Order is effective for six (6) months, but it lapses after 14 calendar days if the original order was oral and was not confirmed in writing within that 14 day period. The Stop Payment Order may be renewed in writing for an additional six (6) month period.

TRUNCATION OF DRAFTS

The Account Holder(s) acknowledges that checks are truncated and hereby waives any and all rights to receive the items without prejudice to any of the Credit Union’s defenses available under the California Uniform Commercial Code (UCC).

LIABILITY OF CREDIT UNION

Except for its own lack of good faith or failure to exercise ordinary care, the Credit Union is not liable for any action it takes regarding the payment or nonpayment of a check , even if nonpayment results in the forfeit of insurance, loss or damage of any kind.

CLOSURE OF ACCOUNT

The Credit Union may close a checking account at any time. Closure of a checking will not affect the obligation to pay any outstanding balances or charges owed.

FOR CHECKING ACCOUNTS WITH SAVINGS OVERDRAFT PROTECTION

If any Account Holder(s) writes a check that would result in this Checking Account being overdrawn, the Credit Union is authorized to charge the designated savings account(s), regardless of which party signed the item, in such multiples as determined by the Credit Union sufficient to permit the Credit Union to honor the check and any associated fees and to credit such charge to this Checking Account.

FOR CHECKING ACCOUNTS WITH LOAN OVERDRAFT PROTECTION

If any Account Holder(s) writes a check which would result in this Checking Account being overdrawn, and if at that time any Account Holder(s) is eligible to receive loan advances from this Credit Union on a loan designated on the Overdraft Agreement, the Credit Union is authorized to make an advance from the designated loan account, and to credit the advance to this Checking Account in such multiples as determined by the Credit Union sufficient to permit the Credit Union to honor such check and any associated fees.

